



U.S. Department of Justice

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PRESS RELEASE
***ELLERTSON GETS 33 MONTHS IN
FEDERAL PRISON FOR ROLE
IN MORTGAGE FRAUD SCHEME***

In the follow press release Brett L. Tolman, United States Attorney in the District of Utah announced that Rob Ellertson, 42, of Salt Lake City, will serve 33 months in federal prison for his role in a scheme to defraud mortgage companies and lending institutions. U.S. District Judge Dee Benson, who issued the sentence Tuesday, also ordered Ellertson to pay \$2,759,573 in restitution to victim mortgage and title insurance companies.

Ellertson, who pleaded guilty in March to two counts of wire fraud, admitted that from around May 2002 to around September 2003, he aided and assisted Corey Nance, who devised and executed a scheme to obtain money and property from mortgage companies and lending institutions by means of false and fraudulent pretenses, representations, and promises and used wire communications to execute the scheme.

According to the plea agreement reached with Ellertson, Nance purchased empty lots in Salt Lake and Summit counties in the name of one of his businesses. In furtherance of the scheme, Nance recruited straw purchasers to act as borrowers on loan applications and supporting documents submitted by Nance to Ellertson. Nance paid straw purchasers a fee for the use of their names and financial information. Ellertson, through his company, Equity, brokered the loan packages with victim lenders.

Nance, the plea agreement says, altered and falsified the loan and supporting documents. For example, the Ellertson plea agreement says Nance prepared and completed all loan applications on behalf of the straw borrowers. He misrepresented the straw borrowers' income and represented that the straw borrower intended to occupy the property as his or her primary residence when he knew full well there was no residence on the property to occupy. Nance, or a licensed appraiser acting in concert with him, prepared and completed appraisal reports which significantly overstated the fair market value of the subject property. Other misrepresentations contained in the appraisal report included overstated "comparable" properties in the near area, fictitious floor plans, and fictitious photographs of a residence on the subject property. Nance made the misrepresentations knowing there was no residence on the subject property, according to the plea agreement.

The plea agreement also says that Nance obtained bank account statements from straw borrowers and altered the statements to reflect fictitious transactions and balances.

According to Ellertson's plea agreement, Nance provided the loan and supporting documents to Ellertson. With the full knowledge of the numerous false and misleading representations, Ellertson then submitted each such loan package to a victim lender. Relying on the false and fraudulent information, the victim lenders approved loans for the various straw borrowers. Loan proceeds were then forwarded from the straw borrowers to Nance for his personal use.

Nance, who also pleaded guilty to two counts of wire fraud, is scheduled to be sentenced Nov. 14, 2006, at 3 p.m. by Judge Benson.